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ABSTRACT

This paper is concerned with the training implications of productivity agreements which seek the achievement of high stable earnings through the improved use of manpower leading to efficient low cost production, by making changes which could not be achieved by traditional wage negotiations. Consideration is given to the training problems arising where a comprehensive form of agreement containing a number of changes is introduced covering the entire workforce in a unit or factory. In order to establish a systematic approach for management contemplating the introduction of a comprehensive agreement, a typical plan of action is set out under the following steps: diagnosis of existing situation; definition of objectives; determination of the means of achieving objectives; drawing up the detailed agreement; negotiation; implementation; and follow-up. The training needs arising at various levels are suggested at each major step. Six appendices are included: example of a short seminar for senior managers; course for senior managers on productivity agreements; course for shop stewards; suggested reading list; productivity agreement--consultative arrangements made by a firm negotiating agreement; and summary of training needs by categories of employees. (PT)

Chemical and Allied Products Industry Training Report

The training implications of manpower projections

Information paper series

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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Members of the Working Party on the Training Implications of Productivity Agreements

Chairman C Denard, BP Chemicals (UK) Limited

Members D Basnett, General & Municipal Workers' Union
J Birch, University of Warwick
K Briscoe, Hickson & Welch Limited
M Cowan, Lever Brothers & Associates Limited
G Llywelyn Jones, South-West London College
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CAP ITB

Chemical and Allied Products Industry Training Board
Information paper No. 4

The training implications of manpower productivity agreements

Introduction

1. Productivity Agreements are a comparatively new field covering a wide range of management activities, and it is difficult to define the term precisely. For the purpose of this Information Paper, concerned as it is solely with the training implications, a Productivity Agreement has been accepted as an arrangement which seeks to establish a situation in which high stable earnings can be achieved through the improved utilisation of manpower leading to efficient low-cost production, by making changes in working practices or in the terms of employment which could not be achieved by means of traditional wage negotiations.

2. The Board considers that the introduction of a payment-by-result scheme, a revised pay structure or other single change in personnel policy cannot of itself be properly regarded as a Productivity Agreement. Consideration is given, therefore, to the training problems arising where a comprehensive form of agreement containing a number of changes is introduced covering the entire workforce in a unit or factory.

3. In order to identify any training needs, it is necessary to establish a systematic approach which any management contemplating the introduction of a comprehensive agreement can follow. A typical overall plan is set out in para 8.

4. It is difficult to decide the depth of treatment necessary, in that producing a formidable list of training recommendations might discourage managements from embarking on what could be a profitable productivity exercise. Much, for example, has been said about the need for management and workforce attitude training, and it is certain that little would be achieved with autocratic or entrenched attitudes on either side. While this view is accepted, it is felt that an enthusiastic and reasonably informed management could achieve a successful Productivity Agreement by means of sound consultation and involvement of the workpeople. Valuable agreements have, in fact, been achieved with no other training than that directly arising from the content of the agreement. This is not to underestimate the time and effort needed to achieve a satisfactory agreement and the importance of thorough training wherever this is necessary, particularly in view of the change from authoritarian to participative policies which is the distinguishing feature of the Productivity Agreement approach.

5. In thinking of the training implications of an agreement, the position of the smaller company is given most consideration. It should be emphasised, however, that many smaller companies do not suffer from the restrictive practices found in larger centres of employment and could, therefore, make changes in manpower usage with little formality.

6. It is considered vital that the appropriate trade union officials and shop stewards should be involved from the earliest planning stage to the completion and implementation of the agreement and the assessment of results.

7. Implicit in all that follows is the belief that training to help bring about effective productivity agreements is not all of one type, and that different sorts of training are required at different stages for the various groups involved. An attempt is made to separate target groups for particular kinds of training and to draw a broad distinction between 'attitude' training and 'technique and implementation' training.

PLAN FOR A PRODUCTIVITY AGREEMENT

8. The main steps of what might be a typical plan of action are:

Step 1 Diagnosis of the Existing Situation

Step 2 Definition of Objectives

Step 3 Determination of the Means of Achieving the Objectives

Step 4 Drawing up of the Detailed Content of the Agreement

Step 5 Negotiation

Step 6 Implementation

Step 7 Follow-up

The possible content of each step, together with an indication of the training implications, is set out in detail below.

STEP 1 DIAGNOSIS OF THE EXISTING SITUATION

9. While each situation will vary, the following are examples of factors which have led to the negotiation of Productivity Agreements:

- ☐ Technological innovation requiring greater versatility of the workforce.
- ☐ Increase in competition demanding greater efficiency.
- ☐ Over-manning.
- ☐ Need for improvement in 'hourly paid' status (staff conditions, fringe benefits, etc.).
- ☐ Pressure for wage increases.
- ☐ Excessive overtime pointing to loss of management control.
- ☐ Existence of local or traditional practices which impede efficiency.
- ☐ Change in top management requiring reorganisation.
- ☐ Growth giving rise to need for change in organisation.
- ☐ Poor profit trends.

10. In certain situations there may be obstacles to the immediate negotiation of a Productivity Agreement which will require prior attention.
Examples are:

- ☐ Widely differing performance standards between departments or individuals.
- ☐ Anomalies arising from unsatisfactory incentive schemes.

11. In making a diagnosis, managements will require adequate cost information. Appropriate Work Measurement techniques may also be helpful in determining performance levels. Activity Sampling has been found useful in assessing overall factory performance levels.

12. Training Needs
When firms are considering whether to embark on an agreement, the following courses and information may be helpful for management and shop floor representatives:

- ☐ A one-day seminar for senior managers on the lines set out in Appendix 1.
- ☐ The Chemical Industries Association Management Course on Productivity Agreements—see Appendix 2.
- ☐ An information course for shop stewards on the scope and range of Productivity Agreements—see Appendix 3.
- ☐ A suggested background reading list on Productivity Agreements—see Appendix 4.

STEP 2 DEFINITION OF OBJECTIVES

13. Following diagnosis and a decision to take remedial action where necessary, it is useful to set out clearly the objective or objectives. Typical objectives may be to:

- ☐ Reduce non-productive time.
- ☐ Eliminate over-manning.
- ☐ Reduce average hours worked by a stated amount.
- ☐ Eliminate restrictive practices.
- ☐ Develop a simplified wage structure emphasising status.
- ☐ Improve fringe benefits.
- ☐ Bring about an improvement in attitude.

14. Training Needs
It is not thought that any training need arises in the establishment of objectives, but the value of seeking the agreement of all levels of management and workpeople's representatives is emphasised.

STEP 3 DETERMINATION OF THE MEANS OF ACHIEVING THE OBJECTIVES

15. The importance is stressed of discussing and agreeing in suitable working parties, constituted at plant and workshop level, changes in working practices. In this way the ultimate proposals will have been debated before being collated in the formal agreement and will, therefore, be more readily comprehensible and acceptable. Firmly agreed, and fully understood, commitments at plant level are vital elements in control and application. An example of this approach, which was used to good effect by one company in the industry, is described at Appendix 5.

16. Training Needs

- ☐ Regardless of the method chosen, some investment of time in training in discussion-group leading and improving communications is likely to be needed at all levels.
- ☐ All members of management including supervisors will be affected in some measure by the agreement and may benefit from an appreciation of motivational theories.
- ☐ Shop-steward training may also be necessary, and a course on productivity bargaining has been set up following recommendations by the Manpower Sub-Committee of the Economic Development Committee for the Chemical Industry. The course is of one week's duration, and is organised and administered by the General and Municipal Workers' Union.

STEP 4 DRAWING UP OF THE DETAILED CONTENT OF THE AGREEMENT

17.

- ☐ This step will, in effect, be a summary of the agreed changes, together with details of any improvement in employment conditions, and will possibly include an enhanced provisional wage or salary scale.
- ☐ Experience has shown that the best results are obtained when a senior member of line management is designated to be responsible for the preparation and negotiation of the agreement.

18. In compiling the content of this section an extensive list has been made of items which might conceivably be included in an agreement. It is not thought likely that all would feature in any one agreement, but merely that any might feature in a particular deal. For ease of consideration, the items include the associated training needs and are grouped under four main headings, namely:

GROUP A
Changes in Working Practice.

GROUP B
Improvement of Performance.

GROUP C
Organisational Changes.

GROUP D
Changes in Relationships and Attitudes.

19. **GROUP A**
Changes in Working Practice.

- ☐ Intercraft flexibility.
- ☐ Craft/non-craft flexibility.
- ☐ Non-craft/non-craft flexibility.
- ☐ Changes in working methods, including the elimination of unproductive work.
- ☐ Increased geographical mobility.
- ☐ Increased or diminished use of contractors.
- ☐ Improved working conditions.
- ☐ Improved plant layout.
- ☐ Increased mechanisation.

20. **General**
Arising from the changes outlined in this group, there is a special need to ensure that middle management and supervisors have a thorough understanding of the agreement in order that maximum gain for both management and workpeople can be obtained from the provisions.

21. **Training Needs**

- ☐ It is necessary to identify the training needs associated with the implementation of the particular parts of the agreement. These training needs are entirely practical and arise from the changes in working practices or changes in working conditions, improved plant layout and increased mechanisation. The training would probably best be carried out by existing operators and/or craftsmen, preferably after an appropriate course in instructional techniques. In certain cases attendance at a TWI Institute for trainers would be appropriate for one or two supervisory instructors who would then be in a position to pass on the techniques to others. Whatever method is chosen, the need is stressed for a clearly defined and accepted training programme with responsibility resting on one man.
- ☐ If formal method study or measurement techniques are to be introduced, there will be a need for appreciation courses for both workforce and supervisors.

22. **GROUP B**
Improvement of Performance.

- ☐ Introduction of Measurement and Performance Control.
  The National Board for Prices and Incomes Report No. 36 stresses the need for objective assessment of changes in work standards, and many agreements make use of work measurement techniques for planning and performance control. Among the techniques which may be included under this heading are job analysis and target setting. Where these are introduced, it is likely they will be used in preparing the data on which the agreement is based, as well as for subsequent follow-up and control of performance.
- ☐ Introduction of Piecework or Incentive Schemes.
  Agreements may contain provisions under this heading, and the schemes brought into operation will be those suited to the nature of the work performed. Such schemes are widely felt to be appropriate only to certain activities.
- ☐ Control of overtime.
  Most agreements are concerned with the reduction or elimination of overtime working. While overtime may always be necessary to meet essential needs, the introduction of relief systems, together

with the abolition of restrictive practices, etc., should enable it to be kept firmly under control. An adequate overtime record system is essential, and the use of production planning techniques should ensure even distribution of work load.

- ☐ Reduced manning.
- ☐ Better use of resources, where this affects the workforce.

23. Training Needs

- ☐ Appreciation courses in the relevant aspects of work study will be required for all levels of management and supervision. Training in depth will also be necessary for selected employees such as estimators or planners, where such techniques form part of the agreement.
- ☐ It is essential that there should be general understanding of the purpose of planning and measurement by all employees.
- ☐ In the case of changes induced by agreeing limits on the use of overtime, there may be a need for training in production planning techniques.
- ☐ Where job analysis and target setting techniques are introduced, appreciation courses will be necessary both for the supervisors and the workforce concerned.

24. GROUP C

Organisational Changes.

- ☐ Revision of Working Hours.
  Under this heading there may be changes in normal day work hours and an extension of shift and rota working.
- ☐ Improved Management Organisation Structure.
  In certain cases, following productivity agreements or in preparation for them, companies have changed their management structure by, for example, eliminating a level of supervision, or perhaps by merging maintenance and process departments into a combined operations unit.
- ☐ Change in the Promotion System.
  The agreement may make it possible to bring about changes in promotion systems.
- ☐ Introduction of Revised Payment Systems.
  Here, there may be a movement away from hourly paid systems to weekly or annual salaries. Payment-by-result schemes may be abolished and a variety of existing payments may be consolidated into the annual salary.
- ☐ Improvement of Status.
  This may take the form of closing the gap between shop floor and traditional staff.
- ☐ Job Evaluation.
  In some cases, the introduction of the system of job evaluation may form an important part of the productivity proposals.

25. Training Needs

- ☐ Apart from the introduction of job evaluation, the changes listed in this group may be such as to require only explanation or appreciation treatment and can therefore be dealt with on an informal basis. Nevertheless, they should not be overlooked.
- ☐ Where a system of job evaluation is introduced, there will be a substantial training need for both management and supervision in the operation and administration of the scheme. Appreciation courses for all employees will also be needed to ensure a thorough understanding of the system and its operation.

26. GROUP D

Changes in Relationships and Attitudes.

- ☐ Removal of other Artificial Restrictions on Work Performance.
  Such restrictions might be the creation of unnecessary overtime working, or the establishment of group output norms.
- ☐ Increased Personal Responsibility.
  The changes listed could result in the enhancement of personal skills, and the opportunity might be taken to make use of job enrichment techniques in drawing up revised job content. Every effort should be made to ensure that operatives are able to achieve greater responsibility and are encouraged to work with less direct supervision.
- ☐ More Effective Formal and Informal Communication.
  This would cover oral and written communications and discussion-group leading.

27. Training Needs

A short training course for plant managers and supervisors on the way in which discussion groups should be organised and led is important in obtaining the most effective co-operation from the shop floor. In addition, all levels of management would gain from training in effective oral and written communications. An understanding of motivational theories can provide stimulation for

the enrichment of jobs to provide greater responsibility and satisfaction for the individual and greater efficiency in job performance (cf. Appendix 4, Part B).

28. **Safety Training**

In the atmosphere of change, safety more than ever should be an essential part of all job training. It is not recommended that it should be treated as a separate entity except in induction or general preparatory courses, but rather that it should be a vital part of the normal learning or re-learning process, particularly where changes are made in accustomed practices.

STEP 5 NEGOTIATION

29. **General**

- This stage will normally follow a considerable activity amount of shop floor discussion and working party activity. At this point a draft agreement will probably have been tabled and a Joint Management/Union Working Party will probably be formed to review the content of the agreement and to ensure there is general understanding of the words and their meaning. This is the stage at which the salary and/or wage improvements offered will be negotiated.
- It will be necessary for management to give a clear explanation of the financial savings achieved under the agreement and to show how it is proposed to distribute these across the workforce. It is desirable that the savings should be expressed in terms of man-hours. These can then be readily converted into monetary savings in a way which will be understood by all involved.
- It should be emphasised that in soundly evolved Productivity Agreements there will be a minimum of pure negotiation. The content of the agreement will have been agreed and accepted item by item, and all that remains to be negotiated will be the division of the savings achieved and the arrangement of the enhanced salary/wage scales and possibly shift allowances.

30. **Training Needs**

Full-time trade union officials may be concerned with this phase, but there would be little additional training need other than that required for normal wage negotiations.

STEP 6 IMPLEMENTATION

31. **General**

- Once an agreement has been signed, the next vital step is that of implementation, and here it is extremely important that all members of management, and particularly first-line supervision, should thoroughly understand the entire content of the agreement, its objectives and how best they are to be achieved and developed.
- It is essential for the workforce to understand the agreement. It would therefore be advantageous if a detailed description of the agreed changes to be introduced is given by section or plant managers to their employees as and when the changes are to be made. Additionally, it may be useful to give employees a precis, in a reasonably permanent form, containing the main features of the agreement, so that they have a ready reference on important points. If this is in a loose-leaf folder, amendments can be added as necessary.
- It has been found essential in units operating productivity agreements that a joint management/workforce committee should be set up to minimise misunderstandings and to ensure the smooth introduction and continued development of the agreement.

32. **Training Needs**

No training needs additional to those identified earlier in this paper arise under this step.

STEP 7 FOLLOW-UP

33. **General**

This process, which is primarily a management responsibility, will begin from the date of implementation and can develop into a continuing forum for management/shopfloor co-operation in the improvement of productivity. Regular checks will need to be made on the progress of the agreement.

34. **Training Needs**

It is not considered that follow-up gives rise to specific training needs; training and re-training needs may well arise as a result of the review of the progress of the agreement.

35. **Summary of Training Needs**

A summary of the training needs for the different categories of employee in each stage of the agreement is at Appendix 6.

Appendix 1

Example of Short Seminar arranged for Senior Managers

PAYMENT AND PRODUCTIVITY

Explanatory note:
This seminar is devised to provide senior management contemplating a productivity bargaining operation with an appreciation of the problems likely to be encountered and of methods by which they can be diagnosed. For the purpose of the seminar the term 'senior management' is taken to mean the chief executive, functional heads, and heads of departments in an organisation. The outline programme is based on actual programmes designed for the use of senior managers within a single organisation, but it is considered applicable to senior managers from more than one organisation.

Evening Session:

16.00–16.45 Nature of productivity bargaining.

16.45–18.30 What would senior management like to achieve in improved productivity and reduced costs?
What are the obstacles?
Syndicate exercise followed by model exercise on how to establish and operate a working party to identify potential improvements and obstacles.

20.00–22.00 Managing for optimum results:
- ☐ What type of management down the line gets the best results?
- ☐ What is the current managerial style?
- ☐ Making an inventory for change.
- ☐ Films.

NEXT DAY

10.30–12.30 Payment Systems and Productivity:
- ☐ Basic relationships between payment systems and results.
- ☐ What are the weaknesses of current payment system?
- ☐ Role of measurement.
- ☐ Evaluating inventory of changes.
- ☐ Restructuring a payment system.

14.00–15.15 Motivation of Employees:
- ☐ What do workpeople want?
- ☐ Work needs and their satisfaction.
- ☐ Organising for job involvement.

15.15–16.45 Planning and Programming a Productivity Bargaining Operation.

Appendix 2

Chemical Industries Association Course for Senior Managers on Manpower Productivity Agreements

The purpose of the course is to consider the various aspects of Manpower Productivity Agreements so that those taking part are helped to formulate their own ideas and plans by discussing the experience and knowledge of others. In the design of the course an attempt has been made to focus attention on the more important aspects about which information is available. Considerable use is therefore made of speakers from industry who have been personally involved in all stages of a productivity agreement.

The number of course members is limited to 24 and for the purposes of the discussion groups the course is divided into three syndicates.

The following course programme is virtually that relating to the fourth course held in May 1969, but includes a session with Trade Union National Officers which is normally included but was not possible on that occasion. About half of each session is devoted to a talk by the speaker and the remainder to questions and discussion. The discussions during the discussion-group sessions are used to relate each course member's experience and problems to the content of the day's programme.

MONDAY Lunchtime (Course convenes):

14.00–14.15 Introduction to Course.

14.15–15.30 Opening address, 'The Need for Improved Productivity and Industrial Relations'.
This is intended as a keynote speech to set the right tone for the course.

15.45–16.30 Productivity Agreements and the Role of the CIA.
This talk is concerned with a consideration of the basic features and objectives of Manpower Productivity Agreements and of the part played by CIA.

16.30–19.00 Review of the experience of course members—Discussion Groups.
Each individual in the groups describes his company's attitudes and problems in regard to Productivity Agreements, as well as the stage which has been reached should the process already have been started.

TUESDAY

09.15–10.45 Changing Attitudes.

11.00–12.30 Communications, Participation and Leadership.
The speaker describes the approach used by his firm to 'Joint Productivity Planning'. This lays heavy stress on the need for involvement of all concerned if the commitment of individuals and groups to an agreement is to be achieved. The means by which such commitment is attained is described in detail.

14.00–15.30 A Productivity Share Plan as developed in a small works.
The objective is to describe an approach to a Productivity Agreement in a small works which already has a fair measure of flexibility, but in which the means to achieve increased productivity is discussed with everyone involved and the rewards for the increase determined by sharing the savings in unit labour costs.

15.45–17.30 Modern Views on Motivation.
In this session a well-known American consultant describes the basic essentials of behavioural science, their applications to industry and in particular their role in relationship to the development of Productivity Agreements.

17.30–19.00 Discussion Groups.

WEDNESDAY

09.15–10.45 Wage Structure.
This is a review of the development of complicated superstructures in the chemical industry during the last 25 years, and indicates the opportunity which is provided by Productivity Agreements to rationalise and stabilise the wage structure in a works.

11.00–12.30 Manpower Utilisation and Payment Structure.
A representative of ICI Management describes the various developments in ICI Agricultural Division from the initial stages of the MUPS Agreement to the present development of the Weekly Staff Agreement.

14.00–15.30 } A Productivity Agreement.
15.45–17.30 }

This is a case study of the development of a productivity agreement in a medium-sized works and shows how a situation of relatively high overtime has been reduced to one of virtually nil overtime with the introduction of staff status, the abolition of overtime pay and the development of better relationships within the works.

17.30–19.00 Discussion Groups.

THURSDAY

09.15–10.45 A Comparison of Productivity Agreements.

A consultant gives an outsider's view of the development of three productivity agreements, highlighting the important points of each and their general implications.

11.00–12.30 The Trade Unions' Attitude to Productivity Agreements.

The main object of this session is to give course members the opportunity to question trade union representatives and to understand their attitude and commitment to the development of Productivity Agreements within the context of the CIA/Trade Unions' Joint Agreement.

14.00–15.30 } Another Company's
15.45–17.30 } Experience.

Speakers describe the company's efforts as a first stage to reduce high overtime levels without loss of earnings and then to move on to an examination of working methods, etc., in order to reduce the manning levels.

This session stresses strongly the importance of communications.

17.30–19.00 Discussion Groups.

FRIDAY

09.15–10.30 } A case study of one of the most important and fundamental
10.45–11.45 } agreements developed in the Chemical Industry.

This is regarded as a highlight of the course, which explains the deliberate positioning of the session at the end.

11.45–12.30 Summing-up.

Appendix 3

Example of a Course for Shop Stewards

INTRODUCTION

As a result of discussions on shop stewards' training in productivity by the Manpower Sub-Committee of the Economic Development Committee for the Chemical Industry, the Trade Union members of the committee have arranged for this training course to be held at 'Woodstock', the Training College of The General and Municipal Workers' Union at Long Ditton, Surbiton.

The aim of the course is to give shop stewards a thorough working understanding of the subject. Subjects for discussion include: the attitudes of the Trade Unions, employers and the State to productivity bargaining; analysis of Productivity Agreements in the chemical industry; the place of management techniques in productivity bargaining; costing a Productivity Agreement; and the processes of negotiation and implementation.

The course is the product of three factors:

- The traditionally good climate of industrial relations within the industry.
- The activities of the EDC in this field, notably the Manpower Mission to the USA in the autumn of 1966.
- The recently negotiated Joint Agreement on Principles and Procedures of Productivity Bargaining in the Chemical Industry.

The course is organised by The General and Municipal Workers' Union, and the course members are shop stewards drawn from a number of the unions involved in the chemical industry.

PROGRAMME

Sunday, May 11

18.00 Dinner
18.45 Introduction to Course
Group Discussions

Monday, May 12

09.30 The Trade Union Attitude to Productivity Bargaining
10.45 Coffee
11.00 The Trade Union Attitude to Productivity Bargaining (cont.)
11.30 An Analysis of Productivity Agreements in the Chemical Industry
13.00 Lunch
14.00 An Analysis of Productivity Agreements in the Chemical Industry (cont.)
15.15 Afternoon tea
15.30 Group Reports on Sunday evening's Group Discussions
17.30 Dinner
18.45 Group Discussions on Guidelines for Productivity Bargaining

Tuesday, May 13

09.30 The Employers' Attitude to Productivity Bargaining
10.45 Coffee
11.00 The Place of Management Techniques in Productivity Bargaining (speaker from Associated Industrial Consultants)
13.00 Lunch
14.00 Costing a Productivity Agreement (speaker from AIC)
15.15 Afternoon tea
15.30 Group Reports on Monday evening's Group Discussion
17.30 Dinner
18.45 Group Discussions on Motivation

Wednesday, May 14

09.30 Group Reports on Tuesday evening's Group Discussions
10.45 Coffee
11.00 Negotiating and Implementing a Productivity Agreement
13.00 Lunch
14.00 Preparation for Case Study Exercise
15.15 Afternoon tea
15.30 Preparation for Case Study Exercise (cont.)
17.30 Dinner
18.45 Preparation for Case Study Exercise (cont.)

Thursday, May 15

09.30	Case Study Exercise
10.45	Coffee
11.00	Case Study Exercise (cont.)
13.00	Lunch
14.00	Case Study Exercise: Evaluation
15.15	Afternoon tea
15.30	The State Attitude to Productivity Bargaining
17.30	Dinner
18.45	Preparation for Course Review and Open Forum

Friday, May 16

09.30	Course Review
10.45	Coffee
11.00	Open Forum
12.00	Lunch

Appendix 4

Suggested Reading List

This reading list seeks to help senior managers who wish to decide in broad terms whether productivity bargaining deserves further detailed study as a possible means of making the production part of their enterprise more flexible and responsive to change.
It is divided into two parts by subject and separated into parallel lists by complexity and length of treatment.
Part A seeks to answer the question:
'What particular evidence is there from existing productivity bargains and inter-firm comparisons of use to other employers?'
Part B seeks to answer the question:
'What theories exist about human behaviour in organisations which make it a reasonable working hypothesis that productivity bargaining may achieve its aims?'

PART A
Evidence about existing productivity agreements and inter-firm comparisons.

Pamphlets, short papers, etc.
Productivity Bargaining and Restrictive Labour Practices, Royal Commission on Trade Unions and Employers' Associations, Research Papers No. 4, November 1966, HMSO, 7s.

National Board for Prices and Incomes, Productivity Agreements, Report No. 36 CMND 3311, June 1967, HMSO, 6s. 6d.
Report No. 123 CMND 4136, August 1969, HMSO, 6s.

Manpower in the Chemical Industry, Chemical EDC, April 1967, HMSO, 5s.

Productivity Bargaining, K. Jones and J. Golding, Fabian Society, November 1966, Research Pamphlet 257, 4s. 6d.

Productivity Bargaining and the Engineering Industry, Engineering Employers' Federation, Federation Research Paper No. 1, March 1968, 6s.

DSIR Pamphlets of Progress in Industry No. 11 Money for Effort, Tom Lupton, 1961, reprinted 1968, HMSO, 4s.

Books
The Fawley Productivity Agreements, Allan Flanders, Faber & Faber, 50s.

Productivity Agreements and Wage Systems, D. T. B. North and G. L. Buckingham, Gower Press, 75s.

PART B
Human Behaviour in Organisations.

Pamphlets, short papers, etc.
Industrial Sociology and Industrial Relations, Royal Commission on Trade Unions and Employers' Associations, Allan Fox, Research Papers No. 3, September 1966, HMSO, 4s.

An Introduction to People and Productivity, Allan Fox, Take Home Books/Productivity Progress, Pergamon Press Ltd., 2s. 6d.

Books
Organisational Psychology, E. H. Schein, Prentice Hall, 32s.

The Motivation to Work, J. Wiley, Herzberg, Mausner & Snyderman, 47s.

The Human Side of Enterprise, D. M. McGregor, McGraw-Hill, 65s.

The Human Organisation, Rensis Likert, McGraw-Hill, 35s.

The Professional Manager, D. M. McGregor, McGraw-Hill, 57s.

Appendix 5

Productivity Agreement
Consultative Arrangements made by a firm Negotiating an Agreement

A working party was set up consisting of the Shop Stewards and their Deputies, together with a cross-section of Managers and Supervisors; where there was no shop steward in a department, an employees' representative nominated by the appropriate Union was included. The Chairman of the working party was the Works Manager and the Secretary was the Personnel Officer.

The Company Chairman attended the first meeting and assured employees that no redundancies would arise out of a Productivity Agreement at this meeting. Broad objectives were proposed, and it was agreed that departmental committees should be set up with the Personnel Officer as Chairman of each as he would co-ordinate the discussions and guide them towards the desired ends. Each Committee consisted of Shop Stewards, Deputy Shop Stewards and a cross-section of Managers and Foremen. There were also nominated employee representatives where there was no Union official in the department. Management representation was uneven due to the desire to include supervisors without creating large committees, so that in some cases a supervisor of a department was a member whilst his manager was not.

A meeting was then arranged with the Trade Union District Officers who agreed that discussions could proceed to work out methods of achieving the agreed objectives.

In practice it was found that the main working party had little to do, with departmental committees doing most of the work. The working party, therefore, met on only two or three occasions, while meetings of the committees were frequent and often very lengthy. The minutes of all meetings were circulated and posted on notice boards. A special notice board was provided for these.

It was understood and continually emphasised that the committees were not committing either side and that the final agreement might contain items not favoured by the men's representatives on the committees.

There was no attempt to put forward company proposals, although the company view was expressed on any items which were discussed. Neither was there any attempt to get the committees to write up the agreement.

Apart from committee sittings, the Personnel Officer held discussions with individual officials of the Unions and individual members of management and supervision, obtaining as wide a variety of views as practicable.

Whilst the committees were sitting the draft agreement was drawn up by the Personnel Officer as a gradual process, taking into account various points of view. At the same time he was developing a wage structure, based on the necessity for the scheme to be self-financing.

A draft agreement and wage structure were then produced to a meeting of the Trade Union District Officers who did not consider the document but accepted the wage structure, after a general rise in the level of pay, as a basis for negotiation.

Discussions on the draft agreement then continued with the Shop Stewards, rather than the departmental committees, and became a matter of negotiation rather than discussion.

Proposed changes were discussed by the Personnel Officer with managers and supervisors separately.

The District Officers were again convened and a new wage structure accepted together with the terms of the agreement.

When the agreement came into force the consultative machinery set up was maintained in a modified form. The departmental committees now had the Departmental Manager as Chairman with the Personnel Officer attending as Secretary and as guide and mentor on the agreement. The Industrial Engineer also attended departmental Productivity Committee meetings with the aim of taking up any question of manning or efficiency and reporting his findings back to the Committee. A Works Joint Productivity Committee took the place of the working party and also the place of the Works Council, which had consisted of elected men's representatives. Consultation, therefore, became a Union matter and all the men's representatives on the committees were either now shop stewards or men nominated by the Union.

At a later stage it was decided to wind up the Works Safety Committee in order that safety could be dealt with by the Works Productivity Committee and the departmental Productivity Committees.

Meetings of departmental committees are held monthly with the main committee meeting every two months. At the same time regular managers' staff meetings and meetings between supervisors and their men have been developed.

Appendix 6

Summary of Training Needs by Categories of Employee

Stage of Agreement	Category of Employee	Possible Training/Appreciation Needs Depending on the content of the agreement.
Diagnosis	Management and Supervision	Corporate/Manpower Planning Organisational Analysis Motivational Theories Scope of Manpower Agreements
	Shop Stewards	Scope of Manpower Agreements
Means/ Detailed Content	Management and Supervision	Oral Communications Work Study Appreciation Discussion Leading Planning Techniques Job Analysis Job Evaluation Motivational Theories Group Behaviour Problem Solving
	Specialist	Work Study—relevant aspects Job Evaluation
	Shop Stewards/ Shop Floor	Work Study Appreciation Motivational Theories Group Behaviour Problem Solving
	All	Safety
Implementation	Shop Floor	Job Training
Follow-up	All	Communications
	Management and Supervision	Evaluation } Activity Sampling Work Measurement Standards
	Shop Stewards	Evaluation }

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Although this seems a formidable list, it should be stressed that the main requirement of a Productivity Agreement is that all concerned should have a clear understanding of the proposals and their effect. In most cases this can be achieved by short appreciation sessions. Training in depth may be required only where, for example, measurement techniques such as the use of Basic Work Data require existing employees to become estimators or planners.

Chemical and
Allied Products
Industry Training
Board

Staines House
58/62 High Street
Staines Middlesex

Telephone:
Staines 51366